

PRESS RELEASE

On September 18, 2008, United States of America Ambassador to Burundi Patricia N. Moller and USAID Regional Director Cheryl L. Anderson signed agreements for two projects aimed at promoting the development of Burundi's private sector. Both agreements support creative new programs that will help to stimulate the development of agri-business and encourage entrepreneurial ventures in Burundi.

Ambassador Moller and Regional Director Anderson signed a joint declaration with Chargé d'Affaires of the Embassy of the Kingdom of the Netherlands Jeannette Seppen to create a "Business Incubator" to stimulate the growth of private sector businesses. With a projected budget of 1.5 million euros, the Incubator is an innovative concept that will provide business services to new entrepreneurs via financial support from the Netherlands and program expertise from USAID. The overall goal of the project is to encourage agri-business development in such key sectors as coffee, horticulture and dairy. New businesses supported by the Incubator will receive training in business plan development as well as assistance with the formalities of creating and financing a business. More specific training could cover product marketing; understanding East African Community (EAC) export regulations; tax law; accounting and financial management; avoiding corrupt practices; and improving credit worthiness. The Incubator will operate from a facility providing internet access, secretarial services, office space and business machines to as many as 25 businesses. Once a business has been successfully launched and "graduates" from the Incubator, another new enterprise can take its place --- helping to create a corps of professional entrepreneurs who will be able to assist each other in building a dynamic business community in Burundi.

Additionally, Ambassador Moller and Regional Director Anderson signed a loan guarantee agreement with Interbank Burundi S.A. representative Administrator Callixte Mutabazi which will mobilize three million dollars in loans to agro-enterprises and micro finance institutions over the next seven years. The U.S. Government will assume up to half of the default risk for agricultural loans made by Interbank, a leading Burundian commercial bank, with the goal of helping farmers, producer associations and agro-entrepreneurs gain access to financing. Many banks are reluctant to lend to farmers and lack the ability to evaluate agricultural loans. This loan guarantee project is designed to build banks' confidence in the agriculture sector and stimulate broad-based economic growth by assisting entrepreneurs who would otherwise have no access to credit.

The United States Embassy in Burundi is pleased to work in partnership with the Embassy of the Kingdom of the Netherlands to support the growth of Burundi's business community. Both the Business Incubator and Interbank loan guarantee demonstrate the long-term commitment of the United States Government to promoting Burundi's economic development through assistance to the private sector.